

Medicaid Fraud Control Unit

State of Missouri



Annual Report

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Pursuant to Section 191.909, RSMo

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Overview of Missouri State Medicaid Program

The single state agency for Medicaid in Missouri is the Missouri Department of Social Services (DSS). The Missouri Medicaid Fraud Control Unit (MFCU), housed in the Missouri Attorney General's Office, entered into a Memorandum of Understanding (MOU) with DSS when the Medicaid Fraud Control Unit was first created in 1994. A new MOU between DSS and the MFCU was entered into on October 10, 2003.¹

The MFCU receives case referrals from both the Program Integrity Unit and Investigations Unit in DSS. Staff of the MFCU conducts regular meetings with both DSS units to discuss recent referrals and ongoing investigations. The MFCU also receives case referrals from other state and federal agencies and initiates its own investigations.

Additionally, the MFCU receives patient abuse and neglect referrals from the Department of Health and Senior Services (DHSS). DHSS operates a 24-hour hotline for patient abuse and neglect complaints and also conducts disqualification hearings for employees of health care facilities who are accused of abuse and neglect. The MFCU investigates those abuse and neglect complaints which appear to violate criminal statutes. A new system was established approximately four years ago to insure that the MFCU receives field complaints of abuse and neglect simultaneously with DHSS.

Recoveries and Overpayments

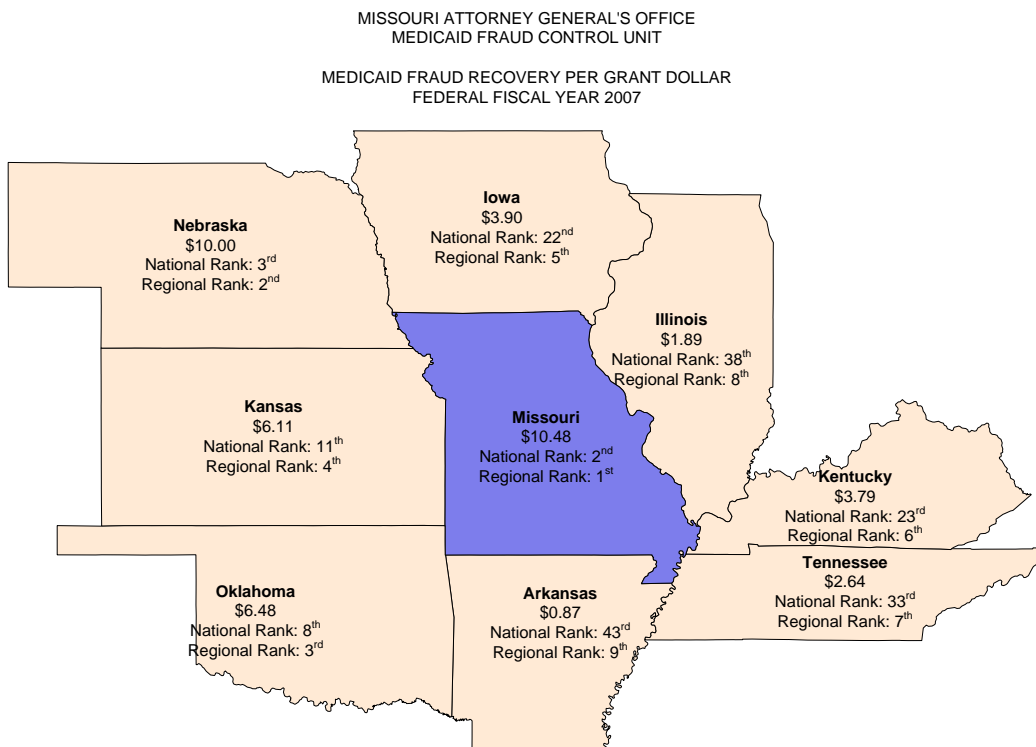
In Calendar Year 2008, the MFCU obtained orders in the amount of \$33,579,563.43². During Calendar Year 2008, the MFCU collected \$33,531,419.76 on cases disposed in 2008 and collected \$57,861.41 on cases disposed prior to 2008 for a total collection of \$33,589,281.17. Overpayments identified for Calendar Year 2008 were significantly less than the amounts ordered because the MFCU frequently obtains double and treble damages in particular cases.

¹ The MOU is attached to this report.

² This amount does not include receipt of \$31 million dollars pursuant to settlement of STATE ex rel. JEREMIAH W. (JAY) NIXON, Attorney General, v. WARRICK, SCHERING-PLOUGH, and SCHERING CORPORATION expected to be finalized in early 2009.

The MFCU regularly participates in multi-state cases involving Medicaid fraud that may take a number of years to finalize. The resolution dates of these cases (whether resolved in one Calendar year versus another Calendar year) may have a significant impact on the year to year recoveries.

Based on the most recent national data from the Department of Health and Human Services, Office of Inspector General (HHS-OIG), the MFCU obtained \$10.48 for every grant dollar received – this ranked Missouri first in the region and second nationally. The below map illustrates Missouri’s recovery per grant dollar as compared to our surrounding states:



Damages and Restitution Ordered in Calendar Year 2008 and Still Owed

In general, when the MFCU obtains a recovery for the Medicaid program, the payment is made at the time of the judgment or settlement. There are rare instances where the payment is paid to other entities. Of the \$33,579,563.43 amount ordered in Calendar Year 2008, \$48,143.67 was ordered to be paid to other entities. In some cases, the provider may be ordered to make installment payments to reimburse the Medicaid program. There were no installment amounts owed from orders entered in Calendar Year 2008.

Cooperation with other Agencies

We will continue to work closely with the HHS-OIG, as well as with the Federal Bureau of Investigation, Department of Defense Criminal Investigative Service, Internal Revenue Service, Social Security Administration, U.S. Postal Inspectors, as well as local law enforcement and administrative agencies. The Director of the MFCU is a past President of the National Association of Medicaid Fraud Control Units (NAMFCU) and currently serves on the Association's Executive Committee, Finance Committee, and Global Case Committee. He has been a member of and continues to serve on NAMFCU litigation teams successfully negotiating multi-state settlements.

Investigations and Referrals

The MFCU receives referrals from a number of sources and in a number of ways. The MFCU maintains a referral number and an on-line complaint process for the public to report possible fraud or abuse. The MFCU also receives referrals from the DSS and other state and federal agencies.

Below is a summary of the investigations conducted during Calendar Year 2008 listed by provider type. This table shows the number of investigations received during 2008 and the number closed during 2008. Because investigations may take more than 12 months to be resolved, the number of closed investigations includes investigations received before January 1, 2008.

As mentioned previously, the MFCU works on a number of multi-state investigations related to Medicaid fraud. The MFCU is currently involved in 97 of these cases during Calendar Year 2008, most of which are still active.

While most investigations are handled civilly, there were 4 criminal investigations initiated in Calendar Year 2008 and 3 criminal investigations finally resolved. There were 4 arrests made in the criminal investigations handled by the MFCU.

Provider Type		Initiated	Closed	Pending
CH	Chiropractor	0	0	0
CL	Clinic	2	6	4
DE	Dentist	1	2	12
DM	Durable Medical Equipment	1	0	3
DO	Osteopathic Physician	0	2	3
HH	Home Health	10	29	8
HO	Hospital	5	1	6
LA	Laboratory	0	0	0
MD	Physician	1	8	5
NH	Nursing Home	0	2	0
OD	Optometrist/Optician	1	1	1
OF	Other Facility	1	2	6
OI	Other Institutions	0	0	0
OM	Other Medical Support	1	0	1

Provider Type		Initiated	Closed	Pending
OP	Other Practitioner	2	4	2
OT	Other	3	7	5
PA	Patient Abuse	46	57	32
PD	Psychologist	10	21	18
PF	Patient Funds	7	9	10
PH	Pharmacy	8	20	16
PM	Psychiatrist	2	1	3
PO	Podiatrist	0	0	0
PP	Prepaid Health	0	12	0
SA	Substance Abuse	0	0	0
TR	Transportation	1	0	1
XI	X-Ray Imaging	0	0	0
	Total	102	184	136

During Calendar Year 2008, the MFCU received 338 referrals including hotline complaints. DSS provided 15 of those referrals. The remainder came from other state or federal agencies and private citizens. Each referral was investigated to determine jurisdiction, credibility, and substance. Of those referrals, 102 were opened into cases.

Age of Abuse and Fraud Investigations When Closed

The MFCU investigates both abuse and fraud investigations. Below is a table summarizing the age of those investigations that the MFCU closed during Calendar Year 2008.

	0 - 6 Months	6 - 12 Months	12 - 24 Months	24 - 36 Months	More than 36 Months	Total
Fraud Investigations	13	21	22	31	40	127
Abuse Investigations	25	15	4	1	12	57
Total	38	36	26	32	52	184